

September 26, 2018

**PERMANENT DEBARMENT OF MULTI-PRODUCT DISTRIBUTION,
BEATRIZ MONTALVO-BROWN, DEBBIE BANNACK and ALPHONSO GWIN**

THE CHIEF ADMINISTRATIVE OFFICER REPORTS THE FOLLOWING RECOMMENDATION:

That the Board of Education of the City of Chicago ("Board") permanently debar MULTI-PRODUCT DISTRIBUTION, BEATRIZ MONTALVO-BROWN, DEBBIE BANNACK and ALPHONSO GWIN ("Respondents") from doing any business with the Board.

Following the Office of the Inspector General's (OIG) recommendations in Report 14-00590, the Board's Chief Procurement Officer served Respondents with Notices of Proposed Debarment on June 6, 2017, initiating debarment proceedings against them. The Notice alleged that Respondents were engaged in stringing, or facilitating stringing of, purchases in violation of Board Rule 7-12 to avoid bidding requirements in Board Rule 7-2. The Notice stated that stringing, as defined by section 33E-2(i-5) of the Illinois Criminal Code (720 ILCS 5/33E-2(i-5)), is the structuring of a contract or job order to avoid competitive bidding requirements. Stringing is grounds for debarment under section 401.6(2)(e) and misrepresentation to any governmental entity, agency or official constitutes a basis for debarment under 401.6(2)(f),(i)(7) of the Board's Debarment Policy, Board Report 08-1217-PO1. Specifically, the individual Respondents spread purchases for Warehouse Direct across a shell company, Franchise System, and a pass-through company, Multi-Product Distribution, to circumvent the competitive bidding process. Respondents Bannack and Gwin repeatedly and deliberately misrepresented to the OIG that they did not act on behalf of Franchise or Multi-Product Distribution. None of the Respondents filed a verified written answer. Failure to submit a verified written answer is deemed an admission of each statement and allegation set forth in the Notice.

The Chief Administrative Officer has reviewed the record (as defined in section 4.5(i)(10) of the Policy). Based on the facts set forth in the record as defined in section 4.5(i)(10) of the Policy, the Chief Administrative Officer recommends that the Board adopt the findings of the Inspector General and permanently debar Respondents from doing any business with the Board effective immediately. All existing contracts amongst the Board and Respondents are terminated. Respondents are also ineligible to act as subcontractors or suppliers to any existing or future Board contracts.

LSC REVIEW: LSC approval is not applicable to this report.

AFFIRMATIVE ACTION STATUS: Affirmative Action review is not applicable to this report.

FINANCIAL: None.

GENERAL CONDITIONS: None.

APPROVED:



JORGE MACIAS,
Chief Administrative Officer

APPROVED AS TO LEGAL FORM:



JOSEPH MORIARTY
General Counsel

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